



Investor Bill has some important investing terms to share with you.

Bear Market: A market in which stock prices are falling.

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Bull Market: A market in which stock prices are rising.

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Dividend: A return of money to shareholders. If you own shares of stock in a company and the company increases in value, then you might receive a portion of its profits.

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Economy: The structure and conditions in a country based on the production, distribution, and consumption of goods and services.

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Index: A service that reports on how the stock market is doing. It looks at whether stock numbers are up or down for important companies and combines them. If the combined number of those companies is up, then the index is up. If it is down, then the index is down. But that doesn't mean every single company in the index is up or down. The Dow Jones Industrial Average, S&P 500, and NASDAQ Composite are the main American stock indexes.

Investment: When you use your money to make more money.

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Profit: The money made after all costs have been subtracted from the money earned.

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Share: A piece of ownership in a company. If you imagine the ownership of a company divided into a hundred pieces, then each piece is like a share in that company.

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Share Price: The cost to buy a share of stock in a company.

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Stock: A type of investment that gives a person a unit of ownership in a company.

Stock Exchange: Places that help companies buy and sell their stock. The two stock exchanges in the United States are the New York Stock Exchange (NYSE) and NASDAQ.

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Trade: The buying and selling of goods and services like stock.

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Return: The amount of money made on an investment—through growth in the company's stock price plus any dividends that were paid.